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## INFORMATION REPORT

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## CENTRAL INTELLIGENCE AGENCY

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## CONFIDENTIAL.

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COUNTRY	East Germany	REPORT		
SUBJECT	Forging Mills and Power Presses: Preduction Problems, (I westments	DATE DISTR.	20 Jun 1968	
	delivery of forge pieces from	NO. PAGES	2	
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- There are approximately 60 forging mills and power presses now operati25X1 in East Germany. All are sections of various larger enterprises, for the rest part enterprises under the jurisdiction of the Ministry for Heavy Machine Construction. However, the production of the forges, in as far as it is destined for use outside the parent enterprise, is controlled by the Main administration for Forges and Presses of the Ministry for Mining and Motallurgy. Eight large enterprises now posses 190% of the East German production capacity for free form forged pieces; these include Groeditz, the Thaelmannwork Magdeburg, Liebknechtwork Magdeburg, Leunawerk, Maxhuette, Branderbisderf, Grossenhain and one additional firm. Beginning with 1958, a queta system for free form forgings was introduced such forgings had formerly been ordered as required and as 1 JUL 1958 available capacity permitted. The intent of the measure is to introduce a gradual specialization in the various forging mills so that each will concentrate on a particular speciality.
- 2. The bulk of the equi ment in East German forges and pressing mills dates from the beginning of the present century and no investment funds are available for replacements or for expansion. (A 2,000-ton press at Edelstahlwerk Beehlen is one of the few new installations in recent years.) Outdated equipment, tegether with shortages of alloys molybdomum, allow thremium, nickel and vanadium have resulted in imprecise work, interrupted production schedules and a high percentage of discards (between 30 and 40% in some fields). Fair allocation of available material factor further complicated by internal politics. Political pressure is used by plant officials who are also ranking Party members to secure preferential deliveries to their enterprises at the expense of other firms.
- During January 1958, the Main administ ation for Forges and Presses received a delivery of 6,000 tens of drep forge pieces from Foland. Further deliveries, however, were endangered since East Germany is unable to supply the mining machinery demanded in return. Soviet deliveries of forged pieces to East Germany are practically non-existent except for such pieces as are required by the aircraft industry.

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